

**TOWN OF FOUNTAIN HILLS  
MINUTES OF THE EXECUTIVE AND WORK STUDY SESSIONS OF THE  
FOUNTAIN HILLS TOWN COUNCIL  
JANUARY 27, 2009**

Mayor Schlum called the meeting to order at 5:05 p.m.

**AGENDA ITEM #1 – ROLL CALL AND VOTE TO GO INTO EXECUTIVE SESSION: PURSUANT TO A.R.S. §38-431.03.A(1) FOR DISCUSSION OR CONSIDERATION OF EMPLOYMENT, ASSIGNMENT, APPOINTMENT, PROMOTION, DEMOTION, DISMISSAL, SALARIES, DISCIPLINING OR RESIGNATION OF A PUBLIC OFFICER, APPOINTEE OR EMPLOYEE MAY DEMAND THAT THE DISCUSSION OR CONSIDERATION OCCUR AT A PUBLIC MEETING. THE PUBLIC BODY SHALL PROVIDE THE OFFICER, APPOINTEE OR EMPLOYEE WITH WRITTEN NOTICE OF THE EXECUTIVE SESSION AS IS APPROPRIATE BUT NOT LESS THAN TWENTY-FOUR HOURS FOR THE OFFICER, APPOINTEE OR EMPLOYEE TO DETERMINE WHETHER THE DISCUSSION OR CONSIDERATION SHOULD OCCUR AT A PUBLIC MEETING. (SPECIFICALLY, FOR THE PURPOSE OF INTERVIEWING ONE APPLICANT FOR POSSIBLE SERVICE ON THE BOARD OF ADJUSTMENT.)**

**ROLL CALL** – Present for roll call were the following members of the Fountain Hills Town Council: Mayor Schlum, Councilmember Contino, Vice Mayor Leger, Councilmember McMahan, Councilmember Hansen and Councilmember Archambault. Councilmember Dickey was excused from the meeting. Also present for the Executive Session was Town Attorney Andrew McGuire, Town Manager Rick Davis, Town Clerk Bev Bender, Water and Environmental Planner Raymond Rees and Deputy Town Manager Julie Ghetti.

Councilmember Hansen **MOVED** to convene the Executive Session at 5:05 p.m. and Councilmember Contino **SECONDED** the motion, which **CARRIED UNANIMOUSLY** by those present (6-0).

**AGENDA ITEM #2 – ADJOURNMENT**

Without objection the Executive Session adjourned at 5:30 p.m.

**WORK STUDY SESSION**

**AGENDA ITEM #1 - CALL TO ORDER AND ROLL CALL**

Mayor Schlum called the meeting to order at 5:35 p.m.

Present for roll call were the following members of the City Council: Mayor Schlum, Councilmember Contino, Vice Mayor Leger, Councilmember McMahan, Councilmember Hansen, Councilmember Archambault and Councilmember Dickey. Town Manager Rick Davis, Town Attorney Andrew McGuire and Town Clerk Bev Bender were also present.

**AGENDA ITEM #2 – DISCUSSION REGARDING TRASH AND RECYCLING SERVICES FOR SINGLE-FAMILY RESIDENCES.**

Environmental Planner Raymond Rees addressed the Council relative to this agenda item and stated his intention to provide information relative to trash and recycling services for single-family residences. Mr. Rees provided background information and noted that in 2007, an Environmental Steering Committee had been formed to support goals set by the Council earlier in the year. He explained that during the year, the Committee

identified environmental issues that were important to the Town and, in May of 2008, the Council adopted Resolution 2008-18, establishing those policies. He noted that the Environmental Steering Committee met throughout the year and gathered information on trash and recycling services within other municipalities, how they affected those municipalities and how they affect the Town of Fountain Hills.

Mr. Rees informed the Council that the main goals were to stop unsightly garbage cans from being on the streets every day, to mitigate wear and tear on the roads, to limit noise, reduce pollution and reduce fuel consumption. He said that one of the municipalities that staff gathered information from was the Town of Queen Creek and reported that they were currently going through a situation similar to Fountain Hills. He said that staff would discuss options later on during the presentation and added that the Council had also been provided the results from the survey from Queen Creek that was sent out to their citizens soliciting input on that Town's trash hauling services. He reported that 79% of Queen Creek residents would prefer to have a single-service hauler within the Town.

Mr. Rees commented that staff determined, following preliminary research, that the preferred option for the Town would be to utilize a single-service hauler to pick up trash and recycling products for single-family residences. He added that staff would like to solicit input and direction from the Council regarding this issue and indicated his willingness to respond to questions.

Mayor Schlum thanked Mr. Rees for his comments and asked whether he was surprised by any of the results from Queen Creek's survey. Mr. Rees responded that the Town hired an excellent consultant to conduct the survey. He said that the survey indicated that 79% of the residents just want to have good service and this was pretty indicative of what you saw in other municipalities.

In response to a question from Councilmember Archambault, Mr. Rees said that the associated risks had to do with being tied to one provider and receiving poor service from that one provider. He added that if they had the option of utilizing anyone they wanted, then they could keep changing providers until they found one who provided the level of service they were seeking.

Mr. Rees stated that the committee "brainstormed" as a group and wrote everything down that they could think of regarding the recommended option, both pros and cons.

Councilmember Dickey said that if they decided to move forward with some of the recommendations, it would be a good idea to get information about the HOA contracts. She stated that this might help them "frame their timing." She added that she would like more information on the recycle rewards (bank).

Mr. Rees advised that staff met with all of the trash hauling/recycling service providers and reported that they leaned toward letting contracts run out with HOAs and then having them come back on board when the contracts expired. He described the recycle bank was an incentive program that could be added on to any option that they as a Town choose.

Vice Mayor Leger said that he was trying to understand the depth of the work that staff had done and therefore had a number of questions that he would like to pose. He stated that he was very impressed by the work that was done by the Committee and commended them on their thoroughness. The Vice Mayor asked whether staff envisioned HOAs as being part of the whole process in terms of the service they were proposing or whether they would have the option of remaining outside of the contract and continuing their separate contracts.

Mr. Rees responded that legally he was not sure whether they could exclude and HOAs and said that this might be a question for Town Attorney Andrew McGuire. He added that he had received telephone calls from HOA management companies expressing an interest in going to a single hauler. He said that some of them utilize multiple haulers and a number of the Associations were behind gates and were responsible for maintaining their

roads. He noted that this was very costly for them and they were open to utilizing a single hauler within their Associations.

Vice Mayor Leger asked if they knew how many HOAs in Town currently had hauler contracts and Mr. Rees replied that the larger ones like Eagle Mountain and Firerock utilized single providers. He said that he had a list of all of the HOAs showing whether they utilize single or multiple providers and would be happy to provide that information at a later time.

In response to a question from the Vice Mayor relative to feedback received from larger communities such as Eagle Mountain, which utilized a single hauler, Mr. Rees advised that he had spoken with representatives of the Association and their recycling services and trash hauling services were collected on the same day. He added that they were very happy with the services they receive and the fact that there were minimal truck trips in and out of their community.

Vice Mayor Leger commented on the importance of determining how many HOAs that have the service were currently happy with the service and determining their willingness to come with the Town if they decided to proceed in that direction.

Mr. Rees advised that staff was also seeking direction on whether they should be holding Open Houses in an effort to solicit community input and said that if they determined that this was the way to proceed, staff could pursue HOA participation at those meetings.

Vice Mayor Leger asked whether the Committee had considered conducting a community survey similar to the one conducted by the Town of Queen Creek.

Mr. Rees reported that staff was currently looking into a web-based survey that would allow citizens to go right to the website and provide their opinion on the trash services for the Town. He said that there were costs involved in such a process and staff was looking into ways to accomplish this task inexpensively.

Councilmember Dickey clarified that when they were talking about HOAs, they were only talking about single-family residences and not condominiums.

The Vice Mayor noted that there were several carriers in Town with different price structures and asked whether staff knew what Town residents were paying for services at this time.

Mr. Rees said that he was not aware of the costs that were being assessed the residents at this time.

The Vice Mayor stated that this information was important to know because part of what he was reading in staff's proposal was the notion that the Town's citizens be asked to go to mandatory trash pickup and recycling. He asked whether he was correct in his understanding of staff's proposal.

Mr. Rees replied that one of the goals was to require recycling for every single resident in Town.

Councilmember Dickey noted that they did discuss some numbers from 2006 and said that they probably had increased since that time (one regular/one recycle per week = \$18.00 a month and some houses had two regular/one recycle per week = \$24.00 a month).

Vice Mayor Leger noted that staff's report reflected the fact that the Water Company talked about the possibility of teaming up with the Town for billing purposes and asked whether a commitment was in place.

Mr. Rees advised that he spoken with representatives of the Sanitary District and they had agreed that their program could support billing services for the Town. He added that they had indicated a willingness to work in a partnership with the Town to do that.

The Vice Mayor stated that if they decided to take on this responsibility and contract with one service provider, he would imagine that there would be some cost to the Town (staff costs to administer such a program, etc.).

Mr. Rees agreed that there would be a certain amount of costs associated with such an undertaking and added that there were some things that the Town could do to mitigate the costs. He stated that the providers charged the Town a certain amount per household to pick up and dump every month and said that with the billing services they could recover some of those costs by adding a small fee. He added that the main costs would be in the administration area.

Vice Mayor Leger asked what responsibilities the Town would take on if they went into the trash business even though they would be contracting.

Mr. Rees responded that when staff spoke with some of the providers they discussed having someone from their company on-site. Staff never received a confirmation/commitment that the providers would do that for customer service/complaints but it was a subject of discussion and staff's opinion was that the Town should lean in that direction.

Vice Mayor Leger commented that they were looking at a process for all of the right reasons but he had some concerns about the process becoming an "uphill struggle" when they get to the part about the Town mandating a service. He added that the one thing that really stood out for him as far as the Queen Creek survey was the fact that all of the people who objected had the same objection, "as long as it did not cost me more." He said that if people were now being mandated to do something that they had not done before, that could be a problem. He stated that if they could have a "one service provider" that could provide the services at a cost that was less than what people were currently paying, he would feel more comfortable, simply because the Town was "mandating" and not "asking."

Mr. Rees said that it would be staff/Council's responsibility to educate the community on what the costs really were. He added that people might pay a little more for their services, but as a result of what they were trying to do, it might actually lower the overall cost (repairing streets, fuel consumption, noise pollution, etc.).

Town Manager Rick Davis commented that if they took this to a "Level 3" or third tier type of program, where the Town did the collection, they were the utility and the Town's trucks and drivers were being used, then they were talking about a very cost intensive program. He said that they were talking about a "Level 2," where the Town would contract with a provider. He added that typically if the Town utilized another agency/jurisdiction as a surrogate biller or pass through biller, they generally kept a portion of what they collected in the form of an administrative fee. He further stated that if they were contracting with another entity they needed to "house" the contract in a department (administratively) so that there was someone responsible for that program. He said that he had generally seen that responsibility "housed" in a Public Works Department and noted that very few complaints were generally handled. Mr. Davis advised that citizens were provided a telephone number to call if they had any complaints and if they were unable to resolve the complaints then there was an option at Town Hall where they could intervene to solve the problems. He emphasized that the bulk of the process was between the hauler and the citizens and the hauler had incentive to be very customer service oriented. He added that since the Town was not doing the billing, which would represent a significant change to the Town's accounting system and personnel requirements, he would expect that the costs would be somewhat negligible.

Councilmember Archambault stated that when they met with the providers and asked about going to one provider and associated costs, they balanced their answer with this, "*some people might pay more because they*

*were on a promotional basis perhaps for the first three months" or "maybe they just had refuse pickup and no recycling and recycling might be a little bit more than just refuse."* He said that what came out loud and clear was that all of the providers thought there would be a significant savings if any of them won the contract for Fountain Hills because now they would have "the whole enchilada" and they could schedule their trucks to maximize their time and lessen impacts on streets.

Councilmember Contino asked whether the Town would receive any return or dollars for giving a contract to one sole provider (and if not, how were they going to pay for the roads that were torn up every day?). He added that with the HOAs, right now the Town did not pay anything for their billing.

Mr. Rees explained that the Town had an option when it did its billing to add in additional costs (beautification fees, contingency funds for trash services, etc.). He said that doing so was totally up to the Council's discretion.

Councilmember Contino stated that if the Town did not receive any money back but they were still going to charge every resident more for beautification, roads, etc., he would like to know why they would go to a system where they would be paying more money and tacking on more charges for the residents.

Mr. Davis commented that those were questions that certainly needed to be raised but he did not believe they were part of any formal discussions that had taken place. He clarified that staff's purpose this evening was to provide the Council with some options and their main objectives were to decrease the wear and tear on Town roads, mitigate the effects of multiple trash haulers and provide an option for recycling for residents. He agreed that they needed to address possibilities with regard to providing support to the Town to mitigate some of the negative effects of the trash collection program; he had not been in a municipality where a surcharge had been put into place to do so; it was just part of providing a service to the citizens.

Mayor Schlum said that he was hearing questions about the goals and stressed the importance of clarifying why staff was considering an option along these lines. The Mayor stated that it went back to 2007 and one of many items identified for the Environmental Steering Committee to focus on. He added that at a 2008 Work Study Session, the Council had talked more about it and the importance of lessening the wear on the Town's streets (having upwards of six to eight haulers going up and down the same streets multiple times per week) and getting down to utilizing one or two providers to lessen the impact on the Town's roads. He added that the other question to be addressed related to the economics and whether it was going to cost residents more than they were paying today. He said that the "snowbird factor" should also be taken into consideration and noted that some residents only paid for a certain number of months per year. He stated that the question was whether there was enough benefit there to justify a one or two hauler program for the Town. He expressed the opinion that it seemed pretty clear now that an outcry existed for the Council to come up with options that might make sense and staff was now asking for Council input to narrow down the options and come up with a proposal for the Town to consider.

Councilmember Archambault referred to Councilmember Contino's questions relative to how they were going to pay for the damage being done to the streets and noted that that issue was not part of the scope of the Committee's responsibilities. He said that if they charged the cost off to the provider, they in turn would just pass it off to the consumer. He expressed the opinion that one of the things they would see an immediate effect on (if they could limit it to one provider in a quadrant) was the fact that there would be less wear and tear on the streets.

Councilmember Dickey thanked the Mayor for recapping the process and reminded the Council that when they discussed the environmental policies, this Council had voted on the most important item and it was recycling. She added that this was something that they had decided they wanted to pursue as a Council.

Vice Mayor Leger agreed with the goals and said that he did not question them at all. He added that it was also important for them to do a cost analysis and "get their arms wrapped around" what people were currently paying - the range, the average, what it would ultimately cost. He stated that ideally, if they went with one provider, his expectation would be that they could accomplish all of this at a cost that was less than what people were paying regardless of what service they were using. He added that if the cost was more than what people were paying now and it's mandated, it was just going to be an extremely difficult road to go down in terms of education.

Councilmember Archambault advised that he would like to see the Town start to hold some Open Houses and asked whether staff wanted to narrow down the options at this point in time or after the Open Houses based on input received.

Mr. Rees replied that they could narrow down the options this evening and referred to two charts that depicted what staff believed the pros and cons to be for the two most desirable options. He noted that the two hauler, four hauler, five hauler and one hauler, mandated trash and recycling options basically had the same pros and cons. He added that some might be a little better than others and said that it was up to the Council to decide whether they would like to narrow down the options this evening or wait until input was received at the Open Houses.

Councilmember Archambault said that what he heard from the haulers was that the Town was not big enough to divide into more than half and still made economic sense. He added that if they divided the Town into four quadrants, they probably would not realize any cost savings at all.

Mr. Rees concurred and stated that the haulers advised that they were not aware of any other community that had mandated services that had implemented a quadrant type of scenario.

Councilmember Archambault suggested that they "toss those out" and stick with the one or two haulers and the different available opportunities, such as the recycling bank.

Councilmember Dickey discussed competition and noted that all of the haulers said that they would have the ability to handle the entire Town.

Councilmember Hansen commented on the increased safety factor and said that with all of the trucks traveling on the Town's narrow streets, being able to lessen that amount would be a significant move towards enhancing safety. She added that the goal should be to keep the process as simple as possible. She asked whether they could have a non-performance clause in the event the citizens were unhappy with the services being provided.

Town Attorney Andrew McGuire advised that virtually every contract that the Town had included provisions for the Town to end the contract should they not be happy with the performance (and sometimes just for convenience). He explained that annually the Town had to budget to run programs and if they decided one year not to proceed with a contract, they needed the ability to terminate. He said that anyone who contracted with the Town knew that contracts ran on a year-to-year basis.

Discussion ensued relative to the recycle bank and the fact that that program could be applied to any contracted service provider the Town choose to go with; the fact that the recycle bank was an incentive program contracted through the service provider and recycle bank (could be worked out in the RFP); the fact that the recycle bank retrofitted all of the haulers' equipment with a reader, a computer and all of the containers with a little dot (a chip that reads the container addressed to that person); the fact that when the container was picked up, it was automatically transferred to the recycle bank website and citizens could redeem coupons for local businesses; and the fact that citizens could earn up to \$45 a month, which would more than offset the cost of their services.

At this time Mr. Rees played a brief U-Tube recycle bank commercial.

Mr. Rees explained that the recycle bank also had grants that they use if people want to take their points earned and convert them to actual dollars. The recycle bank would then donate to the school or charity of the person's choice. He added that the recycle bank would also set up with the schools for each classroom to have a recycling container in front of the school and they pick up their containers. He said that the school children could redeem coupons for their classroom (based on the amount of recyclables).

Mr. Rees stated that based on the discussion that had taken place, staff would schedule Open Houses to solicit the input of citizens relative to this issue (possibly single service).

Councilmember Dickey stressed the importance of placing information on the Town's website and said that she wanted input but she wanted it to be meaningful. She added that she would like to do whatever possible in a very thorough but quick manner and commented on the fact that they had been talking about recycling for a very long time and it was time to move ahead in a manner that was acceptable to the entire Council.

Councilmember McMahan recommended that staff put out press releases on this issue and perhaps prepare and distribute a Question & Answer booklet to address common questions and concerns.

Councilmember Dickey cautioned against spending a lot of money at this point in time.

Mayor Schlum concurred with the importance of obtaining public input relative to this issue and said that the residents might propose some options that could be considered.

Vice Mayor Leger commented on the fact that the survey conducted by the Town of Queen Creek asked some very critical questions and said that when he read the survey results he put himself in the place of being a Councilmember in that town and the information helped solidify for him the type of decision he probably would have made for that community. He noted that there was an overwhelming response that favored doing it and added that some people realized the benefits (environmental, roads, etc.). He added that the question that came up time and time again had to do with cost and if they went forward with a survey they did not need to know the cost now but they really needed to get their arms wrapped around that because if they did Open Houses, they were going to be asked that question. He said that they also needed to get their arms wrapped around the role of the HOAs in terms of this (would they consider being on board and if so, what was the criteria that they would be looking at).

The Vice Mayor stated that there were some communities that had done this and stressed the importance of looking into "lessons learned" by those communities.

Mayor Schlum said that what was being considered this evening was not uncommon. Many larger municipalities already did it under their own label and others were considering it.

Councilmember Contino thanked Councilmembers Archambault and Dickey, Mr. Rees and Mr. Davis for their efforts to date. He said that this was going to be a big task but one that he believed must be tackled. He also suggested that instead of having just an Open House that they hold a meeting where people could come in and sit down like they were doing at this meeting and allow one person to speak at a time so that everyone could gain a firm understanding of what was going on.

Councilmember Archambault requested that Mr. Rees provide the Council with a timeline relative to this issue. Mr. Rees advised that there were a number of valuable models available. Vice Mayor Leger noted that Mr. Rees had included one of the models of Page 26 of 83 in the Staff Report.

Mayor Schlum thanked Mr. Rees for his presentation.

**AGENDA ITEM #3 – PRESENTATION AND DISCUSSION ON THE FY 2009-2014 CAPITAL IMPROVEMENT PLANS AND FUNDING OPTIONS.**

Deputy City Manager Julie Ghetti addressed the Council relative to this agenda item.

Councilmember McMahan asked whether similar reports in the future could be printed in larger type for easier viewing. Ms. Ghetti apologized for the page referred to by Councilmember McMahan and advised that she would display the report in larger print on the screen.

Ms. Ghetti stated that she wanted to give the Council an opportunity to review the Town's capital projects that were in the budget last year for five years and be provided an opportunity to obtain feedback from the Council on their priorities. She said that capital projects were planned out for many years and most of them were not funded for all of those years. She added that she would like to go through each of the projects and obtain Council direction relative to pursuing some of the projects or delaying them. She noted that she would also present the revenue picture for the next five years as well as the capital projects that were included in the budget. Ms. Ghetti advised that the Department Directors were present in the audience to respond to questions from the Council.

Ms. Ghetti referred to the first slide in the presentation for the current year capital projects that were approved last year and discussed where they were with each of those projects. She advised that there were a couple of projects that they had either put on hold or delayed and explained that funding was not an issue at this time (\$9 million was available in the Capital Projects Fund) but if they chose to fund all of the projects this year and next year they would completely deplete the fund. She explained that staff wanted to give the Council an opportunity to review the projects and make determinations.

Ms. Ghetti discussed the Botanical Garden project and said that staff was seeking direction as to whether the Council would like to place the project permanently on hold or move forward. She referred to the slide that depicted the status of each of the projects at this time.

Mayor Schlum noted that any project over \$20,000 would come before Council for approval and asked Town Attorney Andrew McGuire what type of direction the Council could give staff regarding capital improvement projects related to each specific item this evening. Mr. McGuire replied that the Council's input on any and all of those items could be as broad as it needed to be. Mayor Schlum stated that they would then go through each item.

In response to a question from the Mayor, Ms. Ghetti advised that staff anticipated that at the end of this year (June 30th) they would have approximately \$8 or \$9 million left after the projects.

Ms. Ghetti referred to the first slide and explained that the first column was what they budgeted and the second column was what staff estimated the actual year end to be if they do the project. Ms. Ghetti stated that rather than going line by line through the different items listed in the report, staff would assume that since the items were approved in the budget that they would go forward unless they hear differently from the Council at this time.

Mayor Schlum stated the opinion that they should discuss why they were talking about this and explained that they were not going to have a lot of capital improvement monies coming in over the next several years and the concern was that they were looking to spend everything that was budgeted for this year and the following years, through 2014. He said they wanted to determine what pace they want to proceed at and what items they wanted to seriously consider as capital improvement projects. He said that this was coming forward at this point in time because of the decline in the capital improvement project funding and because of declining construction revenues.



Ms. Ghetti concurred with the Mayor's statements and said that if they did every project that was planned for next year they would deplete the fund and they anticipate minimal revenues over the next couple of years (as a result of diminishing construction sales tax and development fees).

Ms. Ghetti reported that over the next five years they expected to have \$31.7 million in resources and some of that was carry forward and some was development fees. She noted that the projects planned for the next five years came to \$59.3 million, which left \$27.6 million unfunded.

At this time, Ms. Ghetti reviewed the various slides contained in the presentation, including the status of this year's capital projects; projected CIP resources (FY 2010-2014); projected CIP projects (FY 2011-2014); FY2009-10 CIP budget; FY2010-2011 CIP budget; FY2011-2012 CIP budget; FY2012-2013 CIP budget; FY2013-2014 CIP budget; various options for balancing the CIP budget (including pros and cons) and staff's "Where do we go from here?" proposals, which included:

- \* Projects not started would be delayed until funding becomes available;
- \* Grant funded projects would move forward;
- \* Alternative funding sources would need to be implemented for those projects that were a high priority Council goal; and
- \* A proposed five year CIP budget would be presented to the Council in March 2009 for direction and approval.

Ms. Ghetti indicated her willingness to respond to questions from the Council. She also clarified that staff was going to present a five year CIP budget (in next year's budget - 2009-2010) and they currently had \$10.8 million worth of projects planned. She said that before staff plugged those projects into the budget, if they were going to take all of the funding, it was important to know beforehand whether Council would prefer to delay proceeding on some of the projects and instead prioritize ones that they wanted to proceed with next year. She added that projects that were taken off of the list tonight would go to next year unless the Council said that certain projects were really not priorities and should be delayed until there was available funding.

Councilmember Archambault said he would like to begin the discussion by talking about projects that were on hold and said he would like to know on the drainage at Del Cambre what the necessity of that project was and how long it could be delayed if they needed to delay it.

Public Works Director Tom Ward stated that this was a drainage problem that had been in existence for 20 plus years. The problem was on the east side of Del Cambre, just north of Rosita and it was doing damage to the asphalt due to the inadequate size of the pipe that was in place. He said that staff wanted to install the proper sized pipe and get the drainage to the Ashbrook Wash, approximately 400 feet. He reiterated that the problem had existed for many years and corrective measures could be delayed if that was the desire of the Council since the problem was not critical. He said that another measure to correct the problem might be changing the road structure but that would cost much more than the proposed \$78,000. Mr. Ward confirmed that funding for the Del Cambre project had not yet come before the Council for approval.

Ms. Ghetti clarified that when staff put together the budget, that was considered the planning document but despite having approved the budget every expenditure over \$20,000 had to come back before the Council for approval of that specific project.

Vice Mayor Leger suggested that the Council review the projects that were not listed as projects that would proceed and the Council concurred with this suggestion.

Councilmember Archambault commented that the Del Cambre drainage issue had been in existence for a long time and he for one would like to see it put on hold until they actually had the funds to fix the problem. He

added that as far as the Event Circle went, it would be nice to have it because it would be a space that they could rent out through the Community Center but that too should be put on hold for now because the \$90,000 cost was a significant amount of money to spend at this time. He also stated that staff had done an excellent job of reducing the size/cost of the Botanical Garden project (from \$68,000 to \$21,000) but said that he would like to have more discussion among the Council relative to whether to proceed with that project at this time.

Mr. Ward discussed the Event Circle and explained that the only reason staff put that project on hold was because the pricing that came in on the proposals started at \$127,000 and they received input from other agencies with a vested interest that perhaps staff was not thorough enough as far as the design. He stated that it was staff's intention to move backwards, talk with more people and obtain more input about the project to ensure that they did the right thing the first time around.

Mayor Schlum said that staff should also look into alternative funding options (public/private, etc.) and Mr. Ward agreed.

Councilmember Archambault stated that for future years one of the things he and Mr. Ward always talked about was road maintenance and the Town was going to surpass the cost of doing road maintenance with the funds that they had in short order. He said that it was going to be challenging for this Council and future Councils to deal with the maintenance and added that he did not want to see the roads start getting to the point where the Town could not stay on top of them. He commented that this might energize the community to look at a bond issue to take care of the problem and added that all they were doing was just pushing the problem out further. He stated that he had seen delays in maintenance result in much higher costs and urged the Council to begin looking at next year's projects in an effort to determine what they really had to do versus what would be really nice to have in an effort to identify items that they could do without for now (delaying a year or two).

Councilmember Dickey appealed to the Council on the Botanical Garden issue and said that she considered it to be a work in progress. She added that they were lucky in that most of the work on that project so far had been done by volunteers. She stated that a safety factor was also involved as far as people visiting the Botanical Garden and expressed the opinion that that was the Town's responsibility. She requested that the Council not lose sight of their goals, which included having people come into Town for certain reasons and having a variety of things for them to do. She stated the opinion that the cost involved was a relatively small price to pay for another destination spot in Fountain Hills.

Additional discussion ensued relative to the Del Cambre area and the fact that historically there had been standing water there because of the small piping that was in place; previous neighborhood concerns regarding West Nile virus and the fact that the Health Department had recommended some remedial action in that area; the fact that Del Cambre was in close proximity to the area where there were West Nile virus concerns but Del Cambre was different in that it was able to drain, it just took longer.

Town Manager Rick Davis expressed the opinion that the Council should talk about the Fire Station design as well (Project Under Review) and said that this was something obviously where the price came in quite a bit under what was originally anticipated. He added that staff would like some direction from the Council as to whether this was something they would like staff to pursue (moving forward with a proposal for the design of the station). He noted that there were still some questions regarding location but stated the opinion that those issues could be resolved fairly soon. He said that it was staff's intention to bring a design proposal back to the Council for their review and consideration.

Councilmember Archambault agreed that first of all they had to decide on a location for the station and said as long as they could do that within a reasonable amount of time he would like to move forward with the design because once they got the working documents they could "pull the trigger" at any point. He added that even if the working documents were two or three years old and they obtained funding or grant monies, they would be

able to proceed without slowing down the process. He reiterated that they should first decide on a location and then spend the money on the design plans because they would only cost more money later on.

Councilmember Dickey asked whether that was part of the Stimulus Plan (the list of items that had to be ready to go). Mr. Ward replied that he believed it was part of that Plan and Mr. Davis said he too thought it was but would verify that fact.

Mayor Schlum asked if the Councilmembers were comfortable with the points/suggestions previously expressed by Councilmember Archambault (holding off on Del Cambre and the Event Circle) and Councilmember Dickey (moving forward with the Botanical Garden). He noted that these were projects that would come before the Council as part of a formal agenda in the future.

Ms. Ghetti noted that some of the projects took a long time to plan for and so if the funding was not there and they did not want to deplete the fund, then there was no point in moving forward and staff would appreciate knowing that at this time.

The Mayor asked if there were any contradictions regarding what had already been expressed.

Vice Mayor Leger stated that his concern regarding the design of the Fire Station had to do with the fact that once you spent \$105,000, that pretty much commits them to doing the project. He said that they were not in that much of a "crunch" as they looked at 2008-2009 but if they looked at 2009-2010, they almost started to get into a deficit scenario with \$1.5 million and that had always been his concern -- that the expense hits them when they were least likely to be able to afford it. He emphasized that public safety was always critical and on the top of his list and said that they currently had some temporary issues up at Eagle Mountain with respect to response times (they were looking at improving those response times to take care of those issues). He added, however, that he still had concerns about spending money on a design or moving in that direction when they were "still up in the air" on location. He noted that the Chief had done an excellent analysis with response times in the existing targeted areas and said that they were now looking at a new location in a completely different area. He stated that this could completely change the analysis.

The Vice Mayor said that historically they had talked of going to three fire stations way down the road and stated that if they went to an alternative site from the Shea site he wondered how that would change that analysis as well. He asked whether it would dictate that they should maintain the fire station on Saguaro because they were pushing a station further up. He stated that he did not have the answers to those questions but was aware of the fact that there were a lot of unanswered questions at this point in time and he had a hard time committing to a design expense when there were "so many moving parts." He noted that the Stimulus funding was "not a given."

Mayor Schlum thanked Vice Mayor Leger for his input and suggested that they keep the Fire Station design item under review for the time being.

Councilmember Contino asked whether the senior van project had been completed and Ms. Ghetti confirmed that it had been completed for this year. She noted that the Town received two vans and said that one was operable and the other one was not (over 100,000 miles on it and it was conceivable that they would have to replace that van next year depending on how the service goes).

Councilmember Contino asked whether the second van was in working order when it was received from Maricopa County and Mr. Davis replied that the second van had the nickname "Old Smokey" because it had some emissions problems. He reported that the first van was operable and would be shown at the Senior Expo tomorrow. He added that the second one still needed to be evaluated as to whether it was going to work out. He pointed out that when they started down this path, they only thought that one van was going to be made

available for purchase at \$1.00 and they had "rolled the dice" on the second van. He said that they would still be able to use the second van but not as much as the first one. He reported that when they took possession of the vans the County told him that they did this every year and would be back in touch with the Town to see if they wanted to replace the vans. He pointed out that they were trying to delay spending \$60,000 to \$70,000 and if the vans could be rotated every year or so they should work out just fine.

Councilmember Dickey stated the opinion that opting to pay for the design of the proposed Fire Station did not commit the Town to build it. She added that she was uncomfortable "wiping out" that option at a Work Study Session and said that she would prefer to discuss this important issue in more depth during a more formal setting.

Mr. Ward pointed out that the Fire Station was on the Stimulus Package list.

Councilmember Dickey expressed the opinion that it was debatable that it was such a remote possibility that the Town would receive funding for the Fire Station and said that she would advocate keeping that project going.

Mayor Schlum stated that he believed staff's concern had to do with "spinning their wheels" on putting together something for the Council to consider and added that they would like to have a timeline so that they knew when to bring this before the Council. He said that they could not consider design until a location had been determined. He noted that right now the project was under review and if it stayed at that status he would assume that once a location had been identified and agreed upon additional discussion would take place relative to the design.

Councilmember Dickey said that she just wanted to make sure that they were not saying that the project was out of the budget for this year because it was only January and she would rather discuss it during a formal meeting of the Council so that people would be aware of the proposal and could provide input.

Mayor Schlum responded that he did not hear anyone say that the item should be removed from the budget and it would remain at its current status.

Vice Mayor Leger clarified that he stated that he was uncomfortable with it because there were "so many moving parts." He asked Mr. Ward in the event that the Stimulus Package moved forward whether they had any idea when they would have a decision regarding the projects. Mr. Ward replied that he was not hearing anything right now.

The Vice Mayor stated that it was his understanding that once the decisions had been made that the Town would need to be ready to proceed.

Mr. Ward reported that the thought process, when the forms were filled out, was that they would be ready to proceed with construction within 30 to 120 days after receipt of Federal funds.

Mr. Davis noted that design of the Fire Station would take approximately two months to complete.

Ms. Ghetti recapped the Council's discussion and said that she was hearing that for the current year the projects that they had on hold would remain on hold with the exception of the Botanical Garden. She added that for next Fiscal Year (2009-2010) staff would delay what they could, come back to the Council in March with another five year plan but said that without some sources of revenue they were simply not going to be able to do all of those projects so decisions would have to be made regarding the most critical projects to move forward on.

Councilmember Hansen stated that the word "delay" was critical.

Discussion ensued relative to the importance of thinking about how to fund road projects in the future if the Stimulus Package funds were not made available; the possibility of bonding and the importance of soliciting public input if they proceeded in that manner; the fact that interest rates were low and it was a good time for construction; the fact that if the Town held a bond election in November of this year, the earliest the increase would show up on taxpayer's bills would be November of 2011 (if it were determined that they should proceed in that direction); and funding alternatives (i.e. G.O. bonds, revenue bonds).

Ms. Ghetti stated that staff had a pretty good understanding of where the Council wanted to go and when they present the five year CIP plan that would be in the budget in March that would be a good opportunity for the Council to make any changes/move items out.

Mayor Schlum thanked Ms. Ghetti for her presentation.

#### **AGENDA ITEM #4 - ADJOURNMENT**

Councilmember McMahan **MOVED** to adjourn the meeting and Councilmember Contino **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0). The meeting adjourned at 7:40 p.m.

#### **TOWN OF FOUNTAIN HILLS**

By \_\_\_\_\_  
Jay T. Schlum, Mayor

ATTEST AND  
PREPARED BY:

\_\_\_\_\_  
Bevelyn J. Bender, Town Clerk

#### **CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Executive and Work Study Sessions held by the Town Council of Fountain Hills on the 27th day of January 2009. I further certify that the meeting was duly called and that a quorum was present.

DATED this 5<sup>th</sup> day of March 2009.

\_\_\_\_\_  
Bevelyn J. Bender, Town Clerk